



MSRPS Maryland State Retirement and Pension System

Agency Closes Direct Equity Real Estate Program

Seeks Greater Diversification In Core Comingled Funds

Press Release

Baltimore, MD (December 1, 2011)

The Investment Division of the Maryland State Retirement Agency (SRA) has successfully closed its 20-year-old Direct Equity Real Estate Program with the recent sale of the three remaining properties in its portfolio: Kentlands Square Shopping Center in Gaithersburg; Severna Park Marketplace in Severna Park; and Cranberry Square in Westminster. The three Maryland properties were purchased in September by Bethesda-based Saul Centers, Inc.

Kentlands Square Shopping Center, purchased by the retirement system for \$35.5 million in 1997, sold for \$74.5 million. Severna Park Marketplace, purchased for \$31.4 million in 2002, sold for \$61 million. Cranberry Square was purchased for \$18.9 million in 1999 and sold for \$33 million.

"Going forward, we plan to invest in comingled funds offering greater diversification across property types and geographies," said A. Melissa Moye, Ph.D., Chief Investment Officer of SRA.

The Investment Committee of the Board of Trustees in early 2009 decided to strategically wind down the direct investment program, which held nine properties—six in Maryland and three in Georgia. Increasing diversification was the primary factor driving the decision.

As of October 31, 2011, the pension system held \$36 billion in assets with 5.5% in real estate and a target allocation of 10%.

Contact

Michael D. Golden
410-625-5603
443-540-6499 (mobile)
mgolden@sra.state.md.us

###

The Maryland State Retirement and Pension System is charged with the fiduciary responsibility for properly administering the retirement and pension allowances of 116,000 retirees and beneficiaries as well as the future benefits for over 251,500 active participating members. These groups include state government employees, teachers, law enforcement personnel, legislators, judges and local government employees and fire fighters whose employers have elected to participate in the system.

All content copyright ©2014 Maryland State Retirement Agency. All rights reserved.